

MINUTES

MONTANA HOUSE OF REPRESENTATIVES 59th LEGISLATURE - REGULAR SESSION

JOINT APPROPRIATIONS SUBCOMMITTEE ON LONG RANGE PLANNING

Call to Order: By **CHAIRMAN JACK WELLS**, on February 14, 2005 at 9:00 A.M., in Room 350 Capitol.

ROLL CALL

Members Present:

Rep. Jack Wells, Chairman (R)
Sen. Jon Tester, Vice Chairman (D)
Sen. John Brueggeman (R)
Sen. Mike Cooney (D)
Rep. Carol C. Juneau (D)
Sen. Bob Keenan (R)
Rep. Ralph L. Lenhart (D)
Rep. John E. Witt (R)

Members Excused: None.

Members Absent: None.

Staff Present: Laura Dillon, Committee Secretary
Catherine Duncan, Legislative Branch
Mark Bruno, OBPP

Please Note. These are summary minutes. Testimony and discussion are paraphrased and condensed.

Committee Business Summary:

Hearing & Date Posted:
Executive Action: HB 9; HB 299; HB 12

CHAIRMAN WELLS called the meeting to order and went over the schedule for executive action. He suggested that the committee members not take final action on HB 9 until the final earnings estimates were in place.

Motion: **SEN. KEENAN** moved that HB 12 BE ADOPTED.

Discussion:

Cathy Duncan presented the first of two amendments on HB 12 (Exhibit 1). She explained that the first amendment, HB001202.acd, corrects minor technical problems with the bill.

EXHIBIT(j1h36a01)

Motion/Vote: **SEN. KEENAN** moved that AMENDMENT HB001202.acd BE ADOPTED. Motion carried unanimously by voice vote.

CHAIRMAN WELLS explained that the second amendment (Exhibit 2) allows \$1.25 million to be added to HB 12.

EXHIBIT(j1h36a02)

SEN. KEENAN asked for the source of the \$1.25 million.

CHAIRMAN WELLS stated that the amount would come from bonding and is paid back through the energy savings of the project.

Ms. Duncan said the amendment was recommended by the Department of Environmental Quality (DEQ).

SEN. TESTER asked what kind of impacts adding the amount to the bill would have on repayment.

Mark Bruno explained that the agencies would be paying for the bond, but it would not cost them any money because the price of the project is offset by its energy savings.

Tom Livers, DEQ, stated that it must be determined that the bonding for a project will pay for itself through energy savings before it can be approved.

SEN. KEENAN asked for an explanation of the projects included in the amendment.

Louise Moore, DEQ, went through each of the projects contained in the amendment and explained why each was chosen.

SEN. KEENAN asked how the irrigation project included in the amendment would translate to energy savings.

Ms. Moore responded that the school is currently paying to use treated city water for irrigation. Completing a well project will save money in the long run on water costs.

{Tape: 1; Side: A; Approx. Time Counter: 0 - 12}

REP. WITT commented that the savings were a result of the school not having to pay to use the city well.

Ms. Moore agreed and went on to explain the second part of that project.

SEN. KEENAN asked if there were price estimates for the individual projects included in the amendment.

Ms. Moore went through the estimates for each project as listed in the amendment.

SEN. KEENAN commented that the projects added up to \$2.1 million, but the bond authorization was only for \$1.25 million.

Ms. Moore said this was because they are selling a bond in May and will use some of those proceeds to add to the list contained within the amendment.

SEN. TESTER asked for further clarification of where the additional \$900,000 was expected to come from.

Ms. Moore stated that the agency has been issued bonding authority for up to \$2.5 million in May of this year. Of that amount, nearly \$1.2 million are projects that were previously approved in the 2003 legislative session. The language in HB 12 allows the agency to move forward with projects that are ready to proceed. It is expected that some of the projects contained in the amendment will be able to be moved up on the list. They were not included in the original bill because their status was uncertain at that time.

SEN. TESTER asked if some of the bonds authorized from the previous session have yet to be dispersed.

Ms. Moore answered that this was correct.

SEN. TESTER asked if this meant the agency did not expect some of the projects previously authorized to move forward.

Ms. Moore stated that only about \$1 million worth of projects were on the list provided during the 2003 session. There was a provision in the bill allowing for additional projects to be included as they became ready.

SEN. TESTER asked if there was a cap on that bonding bill.

Ms. Moore replied that there was a cap in the amount of \$2.25 million.

REP. WITT asked Ms. Moore to explain the \$400,000 included for The University of Montana-Western Project.

SEN. KEENAN asked if contingency language needed to be included in the bill.

Ms. Moore explained that there was already a contingency aspect for the projects included in the bill.

Motion: **SEN. KEENAN moved that HB001201.acd BE ADOPTED.**

Discussion:

CHAIRMAN WELLS called the committee members attention to language in HB 12 that addressed some of the previous questions.

REP. WITT asked if aspects of the Department of Corrections Project included in HB 12 had appeared in bills heard by other committees.

Ms. Moore stated that she had seen the project elsewhere, but is unable to furnish more details at this time.

SEN. TESTER asked if there was a different level of planning applied to the projects included in HB 12 versus those in the amendment.

Ms. Moore responded that the projects included in the original HB 12 were further along than those in the amendment.

Vote: **SEN. KEENAN motion that HB001201.acd BE ADOPTED carried unanimously by voice vote.**

Motion/Vote: **SEN. KEENAN moved that HB 12 BE ADOPTED AS AMENDED. Motion carried unanimously by voice vote.**

{Tape: 1; Side: A; Approx. Time Counter: 12 - 25.4}

CHAIRMAN WELLS moved onto discussion of HB 299.

Motion: **SEN. BRUEGGEMAN** moved that HB 299 BE ADOPTED.

Discussion:

SEN. COONEY commented that he had been told by the Governor's Office that the bonding in this bill will not apply towards the spending cap.

Ms. Duncan stated that bonded debt included in the Long Range Building Program does not contribute to the spending cap.

REP. WITT asked if this was the first time the Department of Transportation (DOT) had applied for bonding authority.

John Blaker, DOT, responded that this is the first time the department has used bonding, with the exception of the construction of the DOT headquarters building.

{Tape: 1; Side: A; Approx. Time Counter: 25.4 - 30.5}

Vote: **SEN. BRUEGGEMAN** motion that HB 299 BE ADOPTED carried unanimously by voice vote.

CHAIRMAN WELLS began discussion of HB 9. He explained that the final revenue figures will not be in until later today and suggested that the committee not take final action on the bill.

SEN. TESTER asked for the current budget estimates.

Ms. Duncan explained the most recent budget estimates included in the HB 9 worksheet (Exhibit 3). The figures are expected to go down, although it is unclear by how much at this time.

EXHIBIT(j1h36a03)

REP. JUNEAU felt that she would like to have the final figures before discussing the bill.

CHAIRMAN WELLS explained that there is a section in HB 9 that authorizes each project to be reduced by a percentage if there are found to be insufficient funds.

CHAIRMAN WELLS asked for the remaining fund balance during the last biennium.

Carleen Layne, Montana Arts Council, answered that very little was left as remaining balance in previous years.

CHAIRMAN WELLS asked Ms. Layne if she felt that \$157,000 was an adequate remaining balance.

Ms. Layne replied that this would be a very good ending balance.

REP. JUNEAU asked for further explanation of the Capitol Complex Works of Art deduction on the worksheet.

Ms. Layne explained that money goes to the Historical Society for restoration of art in the Capitol. It is a biennial appropriation included in the bill.

REP. JUNEAU asked why this was not included in the Historical Society's budget.

Ms. Layne answered that the funding for the art restoration comes out of HB 9 by statute.

Ms. Duncan directed REP. JUNEAU to the line in HB9 that addressed her question.

SEN. TESTER asked if leaving a remaining fund balance was a result of an agency recommendation.

Ms. Duncan explained that the remaining fund balance was just what was left over when all associated expenses are subtracted.

Mr. Bruno clarified the balance figures for the committee members.

CHAIRMAN WELLS asked if he was correct to assume that each of the recommended grants would be funded, based on the Governor's Budget recommendations.

Mr. Bruno responded, "Yes."

Ms. Duncan went on to discuss the legislative initial numbers as pertinent to the HB 9 worksheet.

{Tape: 1; Side: B; Approx. Time Counter: 0 - 14.3}

REP. JUNEAU asked where the remaining balance would go.

Ms. Duncan replied that the money goes into the ending fund balance to be used for future appropriations.

SEN. COONEY asked if the Montana Arts Council would be able to make recommendations to the committee if they wished to cut funding for projects individually, rather than as a group.

Ms. Layne responded that the council would be willing to make recommendations to the committee. She added that there have been shortfalls in the past few funding cycles.

SEN. COONEY commented that some projects may not be able to move ahead if their grants were reduced. He does not feel the committee should contribute to the funding of these kinds of projects if they will not be able to move forward anyway.

Ms. Layne explained that the funding for the smaller requests is not changed if there is a funding decrease in HB 9.

REP. WITT felt that discussion of HB 9 should be deferred until better budget estimates are available.

CHAIRMAN WELLS asked if language needed to be added to HB 9 that would allow the committee to cut individual projects, rather than reduce funding for all the projects.

Ms. Duncan stated that the bill could be amended in a number of ways to address the current funding restrictions.

CHAIRMAN WELLS suggested discussion of a possible amendment to HB 9 that would allow the committee more flexibility if funding were reduced. The chairman suspended action on HB 9 until further notice.

SEN. TESTER asked Ms. Duncan if she had found out whether or not Treasure State Endowment Program (TSEP) funds could be administered on an annual basis.

Ms. Duncan responded that similar appropriations had been considered in the past and a State Supreme Court opinion stated that interim committees cannot appropriate funds.

CHAIRMAN WELLS reminded the committee members that they would be meeting in room 102 at 8:00 A.M. tomorrow.

The meeting was adjourned.

{Tape: 1; Side: B; Approx. Time Counter: 14.3 - 23.5}

ADJOURNMENT

Adjournment: 10:00 A.M.

REP. JACK WELLS, Chairman

LAURA DILLON, Secretary

JW/ld

Additional Exhibits:

EXHIBIT ([jlh36aad0.TIF](#))